



November 15, 2017

The Honorable Paul Ryan
Speaker of the House
United States House of Representatives
Washington, DC 20515

The Honorable Nancy Pelosi
Minority Leader
United States House of Representatives
Washington, DC 20515

Dear Speaker Ryan and Minority Leader Pelosi:

The National Retail Federation (NRF) strongly supports H.R. 1, The Tax Cuts and Jobs Act. This legislation represents long overdue reform of our nation's tax laws, driving economic growth that will help our retail businesses and our customers.

NRF is the world's largest retail trade association, representing discount and department stores, home goods and specialty stores, Main Street merchants, grocers, wholesalers, chain restaurants and Internet retailers from the United States and more than 45 countries. Retail is the nation's largest private sector employer, supporting one in four U.S. jobs – 42 million working Americans. Contributing \$2.6 trillion to annual GDP, retail is a daily barometer for the nation's economy.

The National Retail Federation believes that tax reform will boost the economy, helping small and large retailers, as well as our consumers. The U.S. has the highest corporate income tax rate in the industrialized world, which causes U.S. companies to move investment out of the country and is a disincentive for foreign companies to make larger investments here. Reducing the corporate rate will help attract investment to the U.S., which will help to increase wages and increase consumer spending.

Importantly, H.R. 1 reduces the corporate tax rate to a competitive 20% rate and provides a 25% rate for pass through businesses, which we believe keeps small businesses competitive with corporations, especially in light of the fact that corporate income is subject to double taxation. Enabling small retailers to use the cash method of accounting and eliminating the complexities of the uniform capitalization rules provide major simplification that will greatly reduce compliance costs for small businesses. In addition, we believe that the increased standard deduction, child tax credit, and individual tax bracket changes will benefit our consumers.

NRF urges you to support H.R. 1 and will consider votes on, or in relation to, this bill as Key Retail Votes for our annual voting scorecard.

Sincerely,

David French
Senior Vice President
Government Relations